

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Tonto Basin Fire District
 FOR THE PERIOD FROM: 07/01/13 TO: 06/30/14

STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	* (2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
01	Number of ALS Billable Transports:	<u>0</u>	<u>0</u>	<u>220</u>	<u>220</u>
02	Number of BLS Billable Transports :	<u>0</u>	<u>0</u>	<u>11</u>	<u>11</u>
03	Number of Loaded Billable Miles :	<u>0</u>	<u>0</u>	<u>6,712.1</u>	
04	Waiting Time (Hr. & Min.):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
05	Canceled (Non-Billable) Runs:	<u>0</u>	<u>0</u>		

AMBULANCE SERVICE ROUTINE OPERATING REVENUE

06	ALS Base Rate Revenue	\$ <u>205,285.61</u>
07	BLS Base Rate Revenue	<u>10,290.70</u>
08	Mileage Charge Revenue	<u>62,609.79</u>
09	Waiting Charge Revenue	<u>0</u>
10	Medical Supplies Charge Revenue	<u>3,883.67</u>
11	Nurses Charge Revenue	<u>0</u>
12	Standby Charge Revenue (Attach Schedule)	
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE	\$ <u>282,069.77</u>

SALARY AND WAGE EXPENSE DETAIL

GROSS WAGES:

		**No. of F.T.E.s
14	Management	\$ <u>98,251.12</u> <u>3</u>
15	Paramedics and IEMTs	\$ <u>69,410.05</u> <u>2.34</u>
16	Emergency Medical Technician (EMT)	\$ <u>108,727.72</u> <u>4.27</u>
17	Other Personnel	\$ <u>10,600.00</u>
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ <u>80,984.13</u>

*This column reports only those runs where a contracted discount rate was applied.

**Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Tonto Basin Fire District
 FOR THE PERIOD FROM: 07/01/13 TO: 06/30/14

SCHEDULE OF REVENUES AND EXPENSES

Line No.	DESCRIPTION	FROM
Operating Revenues:		
01	Total Ambulance Service Operating Revenue	Page 2, Line 13 \$ <u>282,069.77</u>
Settlement Amounts:		
02	AHCCCS	<u>(17068.61)</u>
03	Medicare	<u>(50313.38)</u>
04	Subscription Service	<u>()</u>
05	Contractual	<u>(15420.17)</u>
06	Other	<u>(4793.60)</u>
07	Total (Sum of Lines 02 through 06)	<u>(87595.76)</u>
08	Total Operating Revenue (Line 01 minus Line 07)	\$ <u>194,474.01</u>
Operating Expenses:		
09	Bad Debt.	\$ <u>49,267.10</u>
10	Total Salaries, Wages, and Employee-Related Expenses	<u>367,973.02</u>
11	Professional Services	<u>19,912.90</u>
12	Travel and Entertainment	<u>978.10</u>
13	Other General Administrative	<u>25068.69</u>
14	Depreciation.	<u>0</u>
15	Rent/Leasing	<u>71,718.02</u>
16	Building/Station	<u>16,625.73</u>
17	Vehicle Expense	<u>58,448.62</u>
18	Other Operating Expense	<u>13,429.98</u>
19	Cost of Medical Supplies Charged to Patients	<u>10,841.65</u>
20	Interest	<u>0</u>
21	Subscription Service Sales Expense	<u>0</u>
22	Total Operating Expense (Sum of Lines 09 through 21)	<u>634,263.81</u>
23	Total Operating Income or Loss (Line 08 minus Line 22)	\$ <u><439,789.80></u>
24	Subscription Contract Sales	<u>0</u>
25	Other Operating Revenue	<u>0</u>
26	Local Supportive Funding	<u>0</u>
27	Other Non-Operating Income (Attach Schedule).	<u>0</u>
28	Other Non-Operating Expense (Attach Schedule).	<u>0</u>
29	NET INCOME/(LOSS) (Line 23 plus Sum of Lines 24 through 28).	\$ <u><439,789.80></u>

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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: _____

FOR THE PERIOD FROM: _____ TO: _____

BALANCE SHEET *Current audited financial statements may be submitted in lieu of this page.*

ASSETS

CURRENT ASSETS

01	Cash	\$ _____
02	Accounts Receivable	_____
03	Less: Allowance for Doubtful Accounts	_____
04	Inventory	_____
05	Prepaid Expenses	_____
06	Other Current Assets	_____
07	TOTAL CURRENT ASSETS	\$ _____

PROPERTY & EQUIPMENT

08	Less: Accumulated Depreciation	\$ _____
09	OTHER NONCURRENT ASSETS	\$ _____
10	TOTAL ASSETS	\$ _____

LIABILITIES AND EQUITY

CURRENT LIABILITIES

11	Accounts Payable	\$ _____
12	Current Portion of Notes Payable	_____
13	Current Portion of Long-Term Debt	_____
14	Deferred Subscription Income	_____
15	Accrued Expenses and Other	_____
16	_____	_____
17	_____	_____
18	TOTAL CURRENT LIABILITIES	\$ _____

19	NOTES PAYABLE	_____
20	LONG-TERM DEBT OTHER	_____
21	TOTAL LONG-TERM DEBT	\$ _____

EQUITY AND OTHER CREDITS

Paid-in Capital:

22	Common Stock	\$ _____
23	Paid-In Capital in Excess of Par Value	_____
24	Contributed Capital	_____
25	Retained Earnings	_____
26	Fund Balances	_____

27	TOTAL EQUITY	\$ _____
28	TOTAL LIABILITIES & EQUITY	\$ _____

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AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: _____

FOR THE PERIOD FROM: _____ TO: _____

STATEMENT OF CASH FLOWS *Current audited financial statements may be submitted in lieu of this page.*

OPERATING ACTIVITIES:

01	Net (loss) Income	\$ _____
	Adjustments to reconcile net income to net cash provided by operating activities:	
02	Depreciation Expense	_____
03	Deferred Income Tax	_____
04	Loss (gain) on Disposal of Property Equipment	_____
	(Increase) Decrease in:	
05	Accounts Receivable	_____
06	Inventories	_____
07	Prepaid Expenses	_____
	(Increase) Decrease in:	
08	Accounts Payable	_____
09	Accrued Expenses	_____
10	Deferred Subscription Income	_____
11	Net Cash Provided (Used) by Operating Activities	\$ _____

INVESTING ACTIVITIES:

12	Purchases of Property and Equipment	_____
13	Proceeds from Disposal of Property and Equipment	_____
14	Purchases of Investments	_____
15	Proceeds from Disposal of Investments	_____
16	Loans Made	_____
17	Collections on Loans	_____
18	Other _____	_____
19	Net Cash Provided (Used) by Investing Activities	\$ _____

FINANCING ACTIVITIES:

	New Borrowings:	
20	Long-Term	_____
21	Short-Term	_____
	Debt Reduction:	
22	Long-Term	_____
23	Short-Term	_____
24	Capital Contributions	_____
25	Dividends paid	_____
26	Net Cash Provided (Used) by Financing Activities	\$ _____
27	Net Increase (Decrease) in Cash	\$ _____
28	Cash at Beginning of Year	\$ _____
29	Cash at End of Year	\$ _____

SUPPLEMENTAL DISCLOSURES:

	Non-cash Investing and Financing Transactions:	\$ _____
31	_____	_____
32	_____	_____
33	Interest Paid (Net of Amounts Capitalized)	_____
34	Income Taxes Paid	_____

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TONTO BASIN FIRE DISTRICT
FINANCIAL STATEMENTS
June 30, 2014

Saunders Company, Ltd.
6008 West Cortez Street
Glendale, Arizona 85304
Fax 602-926-2431
Phone 623-476-8660

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SAUNDERS COMPANY, LTD

JAMES H. SAUNDERS, CPA, CFE, CFF, CGFM, CGMA, PI.
TRICIA E. SAUNDERS, PI.

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CERTIFIED FRAUD EXAMINER
CERTIFIED GOVERNMENT FINANCIAL MANAGER
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Arizona Association of Licensed Private Investigators
AICPA Government Audit Quality Center

International Association of Certified Fraud Examiners
Arizona Association of Certified Fraud Examiners

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Tonto Basin Fire District
Tonto Basin, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tonto Basin Fire District, Tonto Basin, Arizona, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Independent Auditor's Report

June 30, 2014

Page 2

Basis for Disclaimer of Opinion on Results of Operations, Cash Flows, and Consistency

The District did not conduct an audit of the prior year. This resulted in inadequate accounting records for the year ended June 30, 2013, and we were unable to obtain sufficient appropriate audit evidence to determine whether the opening balances in the financial statements as of June 30, 2014, were fairly presented in accordance with accounting principles generally accepted in the United States of America or whether accounting principles have been consistently applied between 2013 and 2014.

Disclaimer of Opinion on Results of Operations, Cash Flows, and Consistency

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations for the year ended June 30, 2014, or on the consistency of application of accounting principles with the preceding year. Accordingly, we do not express an opinion on the results of operations or changes in net position for the year ended June 30, 2014 or on the consistency of application of accounting principles with the preceding year.

Basis for Qualified Opinion

Management has been unable to obtain information relating to the amount of uncollected property taxes from the county treasurer. Accounting principles generally accepted in the United States of America require that uncollected property taxes be reported in the financial statements of the general fund which would increase the assets and fund balance and could change the revenues in the General Fund. The amount by which this departure would affect the assets, fund balance, and revenues of the General Fund has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tonto Basin Fire District, as of June 30, 2014, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Legal and Regulatory Requirements

Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 48-251 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by statute as an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

June 30, 2014

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Arizona Revised Statutes require disclosure of certain additional supplementary information required to comply with section 9-956 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Arizona State Fire Marshal as mandated by statute as an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fire District's internal control over financial reporting and compliance.

Saunders Company, Ltd.

Glendale, Arizona

January 9, 2015

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Capital Assets, Net of Depreciation June 30, 2014

	<u>BALANCE</u> <u>06/30/2013</u>	<u>BALANCE</u> <u>06/30/2014</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 849,410	\$ 925,055
Buildings	200,102	200,102
Equipment, Fire	<u>369,913</u>	<u>432,082</u>
Total Historical Costs	<u>1,419,425</u>	<u>1,557,239</u>
Less Accum Depreciation		
Vehicles	640,220	642,383
Buildings	56,042	61,045
Equipment, Fire	<u>317,233</u>	<u>341,489</u>
Less: Total Accumulated Depreciation	<u>1,013,495</u>	<u>1,044,917</u>
Depreciable Capital Assets, Net	405,930	512,322
<u>Non-Depreciable Assets</u>		
Land	<u>255,332</u>	<u>255,332</u>
Capital Assets, Net	<u>\$ 661,262</u>	<u>\$ 767,654</u>

Long Term Debt

At the end of the current fiscal year, the District had debt outstanding of \$259,330. All of the debt is backed by the full faith and credit of the District.

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Outstanding Debt

	Balance <u>June 30, 2013</u>	Balance <u>June 30, 2014</u>
Ambulance Lease	\$ 0	\$ 181,048
Land, E-Ones, Trailer	102,791	66,814
Ambulance Lease (2)	<u>5,272</u>	<u>0</u>
Total Lease Obligations	108,063	247,862
Compensated Absences	<u>10,390</u>	<u>11,468</u>
Totals	<u>\$ 118,453</u>	<u>\$ 259,330</u>

Factors Affecting Future Results

The District is subject to general economic conditions such as increases or declines in property tax value or other types of revenues that vary with economic conditions.

Declining property values and new legislation will negatively impact tax revenues for the next several years. SB 2641 limits the increase in tax levy starting with tax year 2008 at 8%. New legislation limits the increase in assessed valuation to 5% per year and the tax levy ceiling of 3.25% remains in effect. As property values decline so will the ability of the fire district to levy tax. When property values begin to rebound and the economy improves the fire district will be limited in its ability to increase tax and it will take many years to get back to where we were prior to the failure of the housing market and the weak economy.

Contacting The District

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report or requests for additional information may be directed to Tonto Basin Fire District at P.O. Box 48 373 S. Old Hwy 188 Tonto Basin, AZ 85553

**TONTO BASIN FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014**

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Exhibit A

	<u>Governmental Activities</u>
ASSETS	
Cash & Cash Equivalents (Note 3)	\$ 299,012
Receivables:	
Ambulance Service Fes, Net Allowance for Doubtful Accounts (Note 5)	24,577
Total Capital Assets, Net (Note 6)	<u>767,654</u>
Total Assets	<u>1,091,243</u>
LIABILITIES	
Accounts Payable	9,737
Payroll Taxes Payable	8,446
Wages Payable	12,317
Compensated Absences (Note 9)	
Portion due within one year	2,867
Portion due after one year	11,468
Lease/Purchases Payable (Note 10)	
Portion due within one year	56,546
Portion due after one year	<u>191,317</u>
Total Liabilities	<u>292,698</u>
NET POSITION	
Invested in Capital Assets, Net of related Debt	519,791
Unrestricted (Note 12)	<u>278,754</u>
Total Net Position	<u><u>\$ 798,545</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**TONTO BASIN FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

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Exhibit B

**Governmental
Activities**

EXPENSES

Public Safety - Fire/EMS Protection
 Personnel Services
 Materials & Services
 Depreciation

\$ 476,963
250,189
88,456

Total Program Expenses

815,608

PROGRAM REVENUES

Charges for Service
 Total Program Revenues
 Net Program Expense

229,084
229,084
586,524

GENERAL REVENUES

Property Taxes
Fire District Assistance
Investment Earnings
Miscellaneous

524,275
42,462
950
6,868

Total General Revenues

574,555

Decrease in Net Position

(11,969)

NET POSITION-BEGINNING OF THE YEAR

810,514

NET POSITION-END OF THE YEAR

\$ 798,545

-The Notes to the Financial Statements are an Integral Part of This Statement-

**TONTO BASIN FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014**

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Exhibit C

General

ASSETS

Cash and Cash Equivalents (Note 3)	\$ 299,012
Receivables:	
Ambulance Service Fees, Net Allowance for Doubtful Accounts (Note 5)	<u>24,577</u>
Total Assets	<u><u>\$ 323,589</u></u>

LIABILITIES

Accounts Payable	\$ 9,737
Payroll Taxes Payable	8,446
Wages Payable	12,317
Compensated Absences (Note 9)	
Portion due within one year	<u>2,867</u>
Total Liabilities	<u>33,367</u>

FUND BALANCES

Assigned Capital (Note 12)	175,495
Unassigned (Note 12)	<u>114,727</u>
Total Fund Balances	<u>290,222</u>
Total Liabilities & Fund Balances	<u><u>\$ 323,589</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

**TONTO BASIN FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
JUNE 30, 2014**

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Exhibit D

	<u>General</u>
REVENUE	
Property Taxes	\$ 524,275
Fire District Assistance Tax	42,462
Fees for Service	229,084
Interest	950
Miscellaneous	<u>206,867</u>
Total Revenues	<u>1,003,638</u>
EXPENDITURES	
Current:	
Public Safety	685,514
Administration	31,857
Debt Service	
Principal	60,202
Interest	7,036
Capital Outlay	<u>196,515</u>
Total Expenditures	<u>981,124</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22,514</u>
Net Change in Fund Balances	22,514
Fund Balances-Beginning of Year	<u>267,708</u>
Fund Balances-End of Year	<u><u>\$ 290,222</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

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TONTO BASIN FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Exhibit E

Reconciliation of Governmental Fund Balance to Net Position
(Exhibit A) of governmental activities:

Fund Balances - Total Governmental Funds (Exhibit C) \$ 290,222

Amounts reported for governmental activities in the statement
of net position are different because:

Capital Assets used in governmental activities are
not financial resources and, therefore are not
reported in the other funds.

Governmental Capital Assets	1,812,571	
Less: Accumulated Depreciation	(1,044,917)	
		767,654

Long-term liabilities are not due and payable
in the current period and therefore are not
reported in the funds.

(259,331)

Net Position of Governmental Activities (Exhibit A)	\$ <u>798,545</u>
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TONTO BASIN FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2014

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Exhibit F

**Reconciliation of the change in fund balance-total governmental funds
to the change in net position of governmental activities:**

Net Change in Fund Balances -		
Total Governmental Funds (Exhibit D)	\$	22,514

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		106,392
--	--	---------

The issuance of long-term debt (e.g., bonds, leases, leave) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(140,875)
---	--	-----------

Change in Net Position of Governmental Activities (Exhibit B)	\$	(11,969)
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**TONTO BASIN FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

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Exhibit G

**Volunteer
Pension
Fund**

ASSETS

Cash & Cash Equivalents	\$ 17
Receivables	
457 Contributions	1,139
State Fire Marshal	5,300
Investments, at fair value	
Mutual Funds	<u>163,810</u>
Total Assets	<u><u>170,266</u></u>

LIABILITIES

Accounts Payable	<u>-0-</u>
Total Liabilities	<u><u>-0-</u></u>

NET POSITION

Held in trust for pension and other purposes	<u><u>\$ 170,266</u></u>
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-The Notes to the Financial Statements are an Integral Part of This Statement-

**TONTO BASIN FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

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Exhibit H

	<u>Volunteer Pension Fund</u>
ADDITIONS	
Other	
Contributions	\$ 13,047
State Fire Marshal	<u>9,950</u>
Total Other Contributions	<u>22,997</u>
Investment Earnings:	
Interest & Dividends	1,111
Net Increase in the fair value of investments	<u>12,457</u>
Total Investment Earnings	<u>13,568</u>
Less Investment Expense	<u>1,193</u>
Net Investment Earnings	<u>12,375</u>
Total Additions	<u>35,372</u>
DEDUCTIONS	
Distributions	<u>3,425</u>
Total Deductions	<u>3,425</u>
Change in Net Position	31,947
Net Position - Beginning	<u>138,319</u>
Net Position - Ending	<u><u>\$ 170,266</u></u>

-The Notes to the Financial Statements are an Integral Part of This Statement-

The District may also place monies in investments which are subject to the risks identified below.

The following is a summary of the Cash and Cash Equivalents held by financial institutions at June 30, 2014:

DEPOSITORY ACCOUNTS:

	<u>General Fund</u>	<u>Trust Fund</u>	<u>Total</u>
Insured Deposits (FDIC)	\$ 10,087	\$ 0	\$ 10,087
Uninsured & Uncollateralized	<u>291,024</u>	<u>163,827</u>	<u>454,851</u>
Total Deposits	301,111	163,827	464,938
In Transit Items	<u>(2,249)</u>	<u>0</u>	<u>(2,249)</u>
Total Depository Accounts	298,862	163,827	462,689

NON-DEPOSITORY
ACCOUNTS

Cash On Hand	<u>150</u>	<u>0</u>	<u>150</u>
Total Non-Depository Accounts	<u>150</u>	<u>0</u>	<u>150</u>
Total Cash & Cash Equivalents	<u>\$ 299,012</u>	<u>\$ 163,827</u>	<u>\$ 462,839</u>

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The District does not invest in any identifiable securities. District investments are limited to open-end mutual funds.

<u>Custodial Credit Risk For:</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer Pool	Unrated	Not Applicable	\$ 291,041
Ameritrade	Unrated	Not Applicable	<u>163,810</u>
Total District Investment Accounts			<u>\$ 454,851</u>

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NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended.

	<u>BALANCE</u> <u>06/30/20 13</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/20 14</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 849,410	\$ 163,389	\$ 87,744	\$ 925,055
Buildings	200,102	0	0	200,102
Equipment, Fire	<u>369,913</u>	<u>62,169</u>	<u>0</u>	<u>432,082</u>
Total Historical Costs	<u>1,419,425</u>	<u>225,558</u>	<u>87,744</u>	<u>1,557,239</u>
Less Accum Depreciation				
Vehicles	640,220	59,197	57,034	642,383
Buildings	56,042	5,003	0	61,045
Equipment, Fire	<u>317,233</u>	<u>24,256</u>	<u>0</u>	<u>341,489</u>
Less: Total Accumulated Depreciation	<u>1,013,495</u>	<u>88,456</u>	<u>57,034</u>	<u>1,044,917</u>
Depreciable Capital Assets, Net	405,930	137,102	30,710	512,322
<u>Non-Depreciable Assets</u>				
Land	<u>255,332</u>	<u>0</u>	<u>0</u>	<u>255,332</u>
Capital Assets, Net	<u>\$ 661,262</u>	<u>\$ 137,102</u>	<u>\$ 30,710</u>	<u>\$ 767,654</u>

NOTE 7 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 8 – SHORT-TERM INDEBTEDNESS

The District utilizes a credit line with a limit of 90% of their budget. As of June 30, 2014, the balance outstanding was approximately \$ 0 and it all was available. The interest rate, at year end, was a % of prime interest rate. The District routinely pays the balance in full when funds are available.

Changes in Short-Term Indebtedness:

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Line of Credit	\$ <u>0</u>	\$ 42,570	\$ 42,570	\$ <u>0</u>
Totals	\$ <u>0</u>	\$ 42,570	\$ 42,570	\$ <u>0</u>

NOTE 9 – ACCUMULATED COMPENSATED ABSENCES

Accumulated unpaid vacation and leave time is accrued when incurred.

Vacation time is for full time employees and they may carry up to 220 vacation hours. Full time employees may on cash out vacation hours in the event of termination or retirement. Vacation accruals are reported on the financial statement.

Sick leave time is lost on termination or resignation. No cash out is available. The amount of sick leave on June 30, 2014 is \$5,305.

NOTE 10 – LONG-TERM INDEBTEDNESS

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities or business-type activities in the statement of net assets.

General Obligation Bonds

The District does not currently have any general obligation bonds.

Operating Leases

The District does not currently have any operating leases.

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Capital Leases

Land, E-Ones, Travel Trailer: On May 20, 2009, the District entered into a lease-purchase agreement with Zion Bank to purchase 2 E-One Fire Engines, a Jay-Lite Travel Trailer and land to place the trailer on. In addition, the land lease-purchase dated July 3, 2007 was rolled into this lease. The original amount of the lease was 230,659 with semi-annual payments of \$20,263.01 ending on November 20th, 2017, at an interest rate of 4.843%.

Ambulance Lease-Purchase: On October 1st, 2013, the District entered into a lease-purchase agreement with Zion Bank for the financing of an ambulance and equipment. The original amount of the lease was \$200,000 with semi-annual payments of \$21,332.22 ending on October 1st, 2018, at an interest rate of 2.38%.

Ambulance Lease-Purchase 2: On December 15th, 2010, the District entered into a lease-purchase agreement with Zion Bank for the financing of an ambulance. The original amount of the lease was \$30,500 with semi-annual payments of \$5,369.87 ending on December 15th, 2013, at an interest rate of 2.960%. This lease was paid off during the fiscal year.

Changes in Long-Term Indebtedness :

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
Ambulance Lease	\$ 0	\$200,000	\$ 18,952	\$ 181,048
Land, E-Ones, Trailer	102,792	0	35,977	66,815
Ambulance Lease (2)	<u>5,272</u>	<u>0</u>	<u>5,272</u>	<u>0</u>
Total Lease Obligations	108,064	200,000	60,201	247,863
Compensated Absences	<u>10,390</u>	<u>1,078</u>	<u>0</u>	<u>11,468</u>
Totals	<u>\$ 118,454</u>	<u>\$201,078</u>	<u>\$ 60,201</u>	<u>\$ 259,331</u>

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NOTE 11 - FUTURE MINIMUM LEASE/PURCHASE OBLIGATIONS

The future minimum lease/purchase obligations and the net present value of these minimum lease/purchase payments as of June 30, 2014, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 56,546	\$ 7,102	\$ 63,648
2016	58,350	5,298	63,648
2017	60,220	3,428	63,648
2018	51,665	1,491	53,156
2019	<u>21,082</u>	<u>251</u>	<u>21,333</u>
Total Obligation	247,863	\$ <u>17,570</u>	\$ <u>265,433</u>
Less amount due within 1 year	<u>56,546</u>		
Amount due after 1 year	\$ <u>191,317</u>		

NOTE 12 – NET POSITION/FUND BALANCE

The District's Net Position balances consist of restricted, unrestricted, and net investment in capital assets amounts.

The District's Governmental Funds fund balances consist of restricted, committed, assigned and unassigned amounts.

Restricted balances are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance is amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned fund balance is amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by an official or body to which the District Board delegates the authority.

Unassigned fund balance is amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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Net Position :

Invested in Capital Assets, Net of Related Debt	\$ 519,791
Unrestricted	<u>278,754</u>
Total Net Position	<u>\$ 798,545</u>

Governmental Fund Balances :

Assigned Capital	\$ 175,495
Unassigned Fund Balances	<u>114,727</u>
Total Fund Balance	<u>\$ 290,222</u>

NOTE 13 - PROPERTY TAXES

The District is authorized to levy property taxes in an amount sufficient to operate the District. This levy cannot exceed three dollars and twenty-five cents per one hundred dollars of assessed valuation. It also cannot exceed the amount of the levy in the preceding tax year multiplied by 1.08.

The District levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

The District also levies various personal property taxes during the year, which are due at the same time as real property taxes.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The taxpayers may, by vote of the electorate, authorize either a five year budget override or a permanent override, depending upon certain criteria being met. The taxpayers also may authorize the issuance of bonds for capital acquisitions in addition to the operating taxes referred to above.

The County collects a County-Wide Fire District Assistance Tax (FDAT) and distributes the funds to all Fire Districts in the County, according to a formula established by state law. The maximum awarded to a District cannot exceed \$400,000 per year.

NOTE 14 - EMPLOYEE RETIREMENT SYSTEMS**Plan Description**

The District maintains a *Volunteer Fire Pension Fund* as allowed by ARS 9-951. This plan is administered by an outside consulting firm who prepares a separate annual report. This report is available through Innes & Associates, 4302 East Ray Road Suite 117, Phoenix, Arizona 85044. The plan is reviewed by the Arizona State Fire Marshal's office.

Standard benefits vary by number of years of activity and funds available. Benefits are fixed by the local board at the time of retirement. Eligibility is minimum age of 18 years and 12 months of service. Maximum age does not apply. Retirement age is earlier of age 50 or 20 years of service. Entry dates are Jan 01 and July 01 of each year.

The local pension board has the authority to deviate from these guidelines as they feel necessary under an adopted alternative plan. The District has elected under ARS Title 9, Section 4 to establish an alternative plan which differs significantly from the standards referred to above.

NOTE 15- SUBSEQUENT EVENTS

Management has evaluated subsequent events and does not know of any additional comments or disclosures that should be made thru the date of this report.

NOTE 16- PRIOR YEAR FUND BALANCE RESTATEMENT

Prior year General Fund Balance was restated because of restatement of the prior year accruals. The amount of this restatement is \$26,243. In addition, Net Position was restated in the amount of \$15,852.

TONTO BASIN FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED
JUNE 30, 2014

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Exhibit I

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 540,451	\$ 540,451	\$ 524,275	\$ (16,176)
Fire District Assistance	43,782	43,782	42,462	(1,320)
Fees for Service	196,000	196,000	229,084	33,084
Grant Revenue	-	-	-	-
Interest	-	-	950	950
Miscellaneous	-	-	206,867	206,867
Total Revenues	<u>780,233</u>	<u>780,233</u>	<u>1,003,638</u>	<u>223,405</u>
Expenditures:				
Current:				
Public Safety	672,480	672,480	685,514	(13,034)
Administration	36,150	36,150	31,857	4,293
Capital Outlay	<u>181,353</u>	<u>181,353</u>	<u>263,753</u>	<u>(82,400)</u>
Total Expenditures	<u>889,983</u>	<u>889,983</u>	<u>981,124</u>	<u>(91,141)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(109,750)</u>	<u>(109,750)</u>	<u>22,514</u>	<u>132,264</u>
Net Change in Fund Balances	(109,750)	(109,750)	22,514	132,264
Fund Balances at Beginning of Year	<u>109,750</u>	<u>109,750</u>	<u>267,708</u>	<u>157,958</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 290,222</u>	<u>\$ 290,222</u>